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Form **8453-EO**

**Exempt Organization Declaration and Signature for  
Electronic Filing**

OMB No. 1545-1879

For calendar year 2006, or tax year beginning MAR 1, 2006, and ending FEB 28, 2007

For use with Forms **990, 990-EZ, 990-PF, 1120-POL, and 8868**

**2006**

Department of the Treasury  
Internal Revenue Service

▶ See instructions.

Name of exempt organization

**THE CALIFORNIA ENDOWMENT**

Employer identification number

**95-4523232**

**Part I** Type of Return and Return Information (Whole Dollars Only)

Check the box for the return for which you are using this Form 8453-EO and enter the applicable amount from the return if any. If you check the box on line **1a, 2a, 3a, 4a, or 5a** below and the amount on that line for the return for which you are filing this form was blank, then leave line **1b, 2b, 3b, 4b, or 5b**, whichever is applicable, blank (that is, do not enter -0-). But, if you entered -0- on the return, then enter -0- on the applicable line below. **Do not** complete more than 1 line in Part I.

<b>1a</b> Form 990 check here ▶ <input type="checkbox"/>	<b>b</b> Total revenue, if any (Form 990, line 12) .....	<b>1b</b> .....
<b>2a</b> Form 990-EZ check here ▶ <input type="checkbox"/>	<b>b</b> Total revenue, if any (Form 990-EZ, line 9) .....	<b>2b</b> .....
<b>3a</b> Form 1120-POL check here ▶ <input type="checkbox"/>	<b>b</b> Total tax (Form 1120-POL, line 22) .....	<b>3b</b> .....
<b>4a</b> Form 990-PF check here ▶ <input checked="" type="checkbox"/>	<b>b</b> Tax based on investment income (Form 990-PF, Part VI, line 5) .....	<b>4b</b> <b>6739176</b>
<b>5a</b> Form 8868 check here ▶ <input type="checkbox"/>	<b>b</b> Balance due (Form 8868, line 3c) .....	<b>5b</b> .....

**Part II** Declaration of Officer

**6** ☐ I authorize the U.S. Treasury and its designated Financial Agent to initiate an ACH electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the organization's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment.

☐ If a copy of this return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I certify that I executed the electronic disclosure consent contained within this return allowing disclosure by the IRS of this Form 990/990-EZ/990-PF (as specifically identified in Part I above) to the selected state agency(ies).

Under penalties of perjury, I declare that I am an officer of the above named organization and that I have examined a copy of the organization's 2006 electronic return and accompanying schedules and statements and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that the amount in Part I above is the amount shown on the copy of the organization's electronic return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send the organization's return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) an indication of any refund offset, (c) the reason for any delay in processing the return or refund, and (d) the date of any refund.

Sign  
Here

Signature of officer

12/18/07

Date

CFO

Title

**Part III** Declaration of Electronic Return Originator (ERO) and Paid Preparer (see instructions)

I declare that I have reviewed the above organization's return and that the entries on Form 8453-EO are complete and correct to the best of my knowledge. If I am only a collector, I am not responsible for reviewing the return and only declare that this form accurately reflects the data on the return. The organization officer will have signed this form before I submit the return. I will give the officer a copy of all forms and information to be filed with the IRS, and have followed all other requirements in Publication 4206, Information for Authorized IRS e-file Providers of Exempt Organization Filings. If I am also the Paid Preparer, under penalties of perjury I declare that I have examined the above organization's return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. This Paid Preparer declaration is based on all information of which I have any knowledge.

<b>ERO's Use Only</b>	ERO's signature ▶	Date	Check if also paid preparer <input type="checkbox"/>	Check if self-employed <input type="checkbox"/>	ERO's SSN or PTIN
	Firm's name (or yours if self-employed), address, and ZIP code ▶	<u>12/18/07</u>			<u>86-1065772</u>
	<u>DELOITTE TAX LLP</u> <u>350 SOUTH GRAND AVE.</u> <u>LOS ANGELES, CA 90071-3462</u>				Phone no. <u>(213) 688-0800</u>

Under penalties of perjury, I declare that I have examined the above return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer is based on all information of which the preparer has any knowledge.

<b>Paid Preparer's Use Only</b>	Preparer's signature ▶	Date	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN
	Firm's name (or yours if self-employed), address, and ZIP code ▶			<u>[REDACTED]</u>
	<u>DELOITTE TAX LLP</u> <u>350 S. GRAND AVE, STE 200</u> <u>LOS ANGELES, CA 90071</u>			EIN <u>86-1065772</u> Phone no. <u>213-688-0800</u>

LHA For Privacy Act and Paperwork Reduction Act Notice, see the instructions.

Form **8453-EO** (2006)

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15520117 099936 95-4523232

2006.08010 THE CALIFORNIA ENDOWMENT

95-45231

**Reportable Transaction Disclosure Statement**

OMB No. 1545-1800

▶ Attach to your tax return.  
▶ See separate instructions.

Attachment  
Sequence No. **137**

Name(s) shown on return

Identifying number

**THE CALIFORNIA ENDOWMENT**

**95-4523232**

Number, street, and room or suite no.

**1000 N. ALAMEDA STREET**

City or town, state, and ZIP code

**LOS ANGELES, CA 90012**

**A** Enter the form number of the tax return that this form is attached to

▶ **990-PF**

Enter the year of the tax return with which this form is filed

▶ **02/28/2007**

**B** Check the box(es) that apply (see instructions).

☐ Initial year filer

☒ Protective disclosure

**1a** Name of reportable transaction

**LSF V - AHRB DEBT - HEDGING LOSS**

**1b** Initial year participated in transaction

**2006**

**1c** Material advisor or tax shelter registration number  
(9 digits or 11 digits)

**2** Identify the type of reportable transaction. Check all the box(es) that apply (see instructions).

**a** ☐ Listed transaction

**d** ☒ Loss

**b** ☐ Confidential

**e** ☐ Significant book-tax difference

**c** ☐ Contractual protection

**f** ☐ Brief asset holding period

**3** If the transaction is a "listed transaction" or substantially similar to a listed transaction, identify the listed transaction  
(see instructions) ▶

**4** Enter the number of transactions reported on this form ..... ▶ **1**

**5** If you invested in the transaction through another entity, such as a partnership, an S corporation, or a foreign corporation, provide the information below for the entity.

**a** Name ..... ▶ **LSF BERMUDA HOLDINGS I, LTD**

**b** Type of entity ..... ▶ **CORPORATION**

**c** Form number of tax return filed ..... ▶ **5471**

**d** Employer identification number (EIN) .....

**6** Enter below, the name and address of each person to whom you paid a fee with regard to the transaction if that person promoted, solicited, or recommended your participation in the transaction, or provided tax advice related to the transaction. (Attach additional sheet, if necessary.)

**a** Name

**N/A**

Number, street, and room or suite no.

City or town, state, and ZIP code

**b** Name

Number, street, and room or suite no.

City or town, state, and ZIP code

LHA For Paperwork Reduction Act Notice, see separate instructions.

Form **8886** (Rev. 12-2005)

- 7 Facts.** Describe the facts of the transaction that relate to the expected tax benefits, including your participation in the transaction.  
For listed transactions identified in item 2a, also provide the complete name, address, and nature of involvement of all parties to the transaction (see instructions).

SEE STATEMENT 30

- 8 Expected tax benefits.** Describe the expected tax benefits, including deductions, exclusions from gross income, nonrecognition of gain, tax credits, adjustments (or the absence of adjustments) to the basis of property, etc. (see instructions for more details).

THE HEDGING LOSS OF \$25,720,250 OFFSETS THE IRC SECTION 954(A)(1) AND  
(C) CURRENT YEAR SUBPART F  
EARNINGS OF LSF BERMUDA HOLDINGS I, ;TD IN THE AMOUNT OF \$25,720,250.  
THIS LOSS REDUCED THE TAXPYER'S ALLOCABLE SHARE OF SUBPART F DIVIDENDES  
BY \$74,861

- 9 Estimated tax benefits.** Provide a separate estimate of the amount of each of the expected tax benefits described above for each affected tax year (including prior and future years).

SEE ABOVE.

FORM 8886

STATEMENT 30

THE PERSON SHOWN ON PAGE 1 OF THIS FORM OWNS AN INDIRECT INTEREST OF .29% IN LSF BERMUDA HOLDINGS I, LTD, A CONTROLLED FOREIGN CORPORATION. UNDER IRC SECTION 165(A), LSF BERMUDA HOLDINGS I HAD A HEDGING LOSS IN THE AMOUNT OF \$25,720,250, RESULTING IN OVERALL INCOME OF \$16,362,986 FOR THE TAXABLE YEAR ENDED 12/31/06. THE INCOME IS RECOGNIZED AS IRC SECTION 954(A)(1) AND (C) CURRENT YEAR SUBPART F EARNINGS.